The motion was put and carried and the Bill was taken into consideration.

Clauses 2 and 3 were put and carried.

Clause 1 and the Preamble were put and carried.

THE HON. SRI V. RAMAIAH : Sir, I move—

"That the Madras Agricultural Income-tax (Amendment) Bill, 1962 (L.A. Bill No. 7 of 1962), as passed by the Assembly, be passed."

MR. CHAIRMAN : The question is—

"That the Madras Agricultural Income-tax (Amendment) Bill, 1962 (L.A. Bill No. 7 of 1962), as passed by the Assembly, be passed."

The motion was put and carried and the Bill was passed.

(4) THE MADRAS STAMP (INCREASE OF DUTIES) BILL, 1962 (L.A. BILL NO. 8 OF 1962).

THE HON. SRI V. RAMAIAH : Mr. Chairman, Sir, I move—

"That the Madras Stamp (Increase of Duties) Bill*, 1962
12-00 noon. (L.A. Bill No. 8 of 1962), as passed by the Assembly, be taken into consideration."

The rates of stamp duty leviable under the Indian Stamp Act, 1889, were revised in 1943. In the case of certain instruments, they were doubled then and in the case of others they were raised by fifty per cent. Since then, the rates of stamp duty have not been altered. The conditions have changed since 1943 warranting revision of rates of stamp duty. Also, there is the urgent necessity to augment the resources of this State for financing the projects included in the Third Five-Year Plan. It is accordingly proposed to increase the rates of stamp duty by 50 per cent in respect of the instruments in respect of which the State Legislature is competent to levy stamp duty excepting Articles 11 and 30 of Schedule I of the Stamp Act. Chapter III of the Advocates Act, 1961, having been brought into force on 1st December 1961, the enrolment of Advocates which was hitherto being done by the High Court has been taken over by the State Bar Council from that date. Consequently, Article 30 relating to levy of stamp duty on application for enrolment as advocates or attorneys by the High Court under the provisions of the Indian Bar Councils Act, 1926, has ceased to have effect. There is also no need to retain Article 11, as, after the commencement of the Advocates Act, there is provision for enrolment of only one class of legal practitioners, namely, Advocates. The question of omitting these Articles from Schedule I of the Stamp Act has been taken up separately. The increase in rates is expected to yield an additional sum of Rs. 1 crore per annum.

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* Printed as Appendix VII on pages 559-562

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The amendments made by the Madras Legislature to the Indian Stamp Act after the formation of the Andhra State are not applicable to the territories added to the State of Madras from the State of Andhra Pradesh by the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959. The Central Act will be in force in those territories as amended by the Andhra Pradesh Legislature. In order to have uniformity of rates in all the areas in the State, the present opportunity has been taken to extend to the added territories, the Indian Stamp Act, 1899, as in force in the rest of the State of Madras in so far as it relates to the matters with respect to which the State Legislature has power to make laws for the State and to repeal the corresponding law in force in the said territories. Opportunity has also been availed of to insert a new section 75-A requiring rules made by the State Government to be placed before the Houses of the State Legislature. Clause 5 provides for this.

The Bill does not involve expenditure from the Consolidated Fund of the State. The Bill does not also involve delegation of any legislative powers.

I request the House, Sir, to accept the motion.

MR. CHAIRMAN : Motion moved—

'That the Madras Stamp (Increase of Duties) Bill, 1962 (L.A. Bill No. 8 of 1962), as passed by the Assembly, be taken into consideration.'

SRI K. BALASUBRAMANYA AYYAR : Mr. Chairman, Sir, the Hon. the Mover of this Bill does not seem to have taken into consideration the fact that the Madras Corporation also is levying a stamp duty on sale deeds, etc. It now works out to Rs. 8 and, according to the Bill before us, it will go up to Rs. 9·50 which seems to be rather heavy. We must remember this in this connection. On account of the urbanisation that is now taking place, large number of sales of lands and other things are going on. On account of the Ceiling Act also, a number of sales are taking place subject, of course, to the provisions of the Act. Taking into consideration all these things, it will be helpful to people who sell their lands if the duty is not raised. So far as agricultural lands are concerned, the Government should help the people to sell the lands to the right people, to proper agriculturists. Therefore, the State should not levy a higher duty in respect of such transactions.

Regarding tax on urban property, the difficulty is if we go on increasing the taxes, evasion will also increase proportionately. Even now there is a lot of evasion. Then, you must have sufficient number of officers and others for inspection, supervision and vigilance to find out these cases of evasion. If the Government want to increase the tax, it should be done on certain principle. When the man who is taxed cannot bear the burden, then he maintains three or four accounts. Even when he can pay the tax, he keeps three or

four accounts. If the tax is unbearable, there will be a lot of evasion. That is why I request the Government to consider carefully if they are to be really benefited by this taxation. As far as the principle is concerned, I do not object. The stamp duty has been in existence for so many years. But if the Government raise the tax which is already high together with the Corporation tax to Rs. 9·50, it will be a heavy burden. That is why in many transactions the real amount of consideration is not forthcoming at all. Instead of getting money for the Plans in all these ways, the Government should think of other methods by which they could surely get the money they want for these Plans. That is what I feel.

திரு. எம். சேஷாச்சாரியார்: தலைவர் அவர்களே, இந்த ஸ்டாம்பு மசோதாவில், அவர் சொல்லுவதுபோல் பயமிருப்பதாகத் தெரியவில்லை. நான்கு வருடங்களுக்கு முன்பு இருந்த விலைக்கும் இப்போது உள்ள விலைக்குமிடையேயுள்ள வித்தியாசம் அனைவருக்கே தெரியும். 4 வருடங்களுக்கு முன்பு ஒரு மனை 2,000 ரூபாயிற்கு விற்றது என்றால், இன்றைக்கு அதன் விலை 12,000 ரூபாயாக உயர்ந்திருக்கிறது. இந்த விலை உயர்வில் ஒரு பாகத்தை ஸ்டாம்புக்காக, விற்கிறவர்கள் கொடுக்கலாம். தவறான கணக்கைக் காண்பித்து சர்க்காரை ஏமாற்றுகிறவர்கள் என்று சொல்லப்படுவது சரியல்ல. சர்க்காரே, மனைகளை acquire பண்ணுவதாக இருக்கிறது.

திரு. கே. பாலசுப்பிரமணிய ஐயர்: C.I.T. காலனியை சர்க்காரே ஏற்றுக்கொண்டு இருப்பதால்தான் விலை உயர்ந்திருக்கிறது. Land ceiling- ஆல் உயர்ந்ததாகவும் சொல்லுகிறார்கள்.

திரு. எம். சேஷாச்சாரியார்: ஸ்டாம்பு விஷயத்தில் சர்க்காரை ஏமாற்றுகிறவர்கள் என்று சொல்வது குறைவுதான். முன்பு சிலர் பண்ணிக்கொண்டிருந்தார்கள். அப்படிப்பட்டவர்களுக்கு அபராதம் போடலாமென்ற விதி இருப்பதால், எல்லோரும் இதைச் செய்வதில்லை. அதனால் ஸ்டாம்பு விஷயத்தில் ஏமாற்று முறையைக் கையாளுபவர்கள் இப்போது எனக்குத் தெரிந்தவரையில் கிடையாது. அதற்காகப் பயந்துகொண்டு இந்த வரியைப் போடாமல் இருக்கத்தேவையில்லை என்று சொல்லிக்கொள்ளுகிறேன்.

திரு. எம். சுப்பையா செட்டியார்: தலைவர் அவர்களே, இந்த ஸ்டாம்ப வரி விதிப்புக் கொள்கையில் அரசாங்கத்தில் இந்த department -க்கு எவ்வளவு பணம் தேவையோ அந்த அளவிற்குத்தான் வரி போடவேண்டுமென்ற கொள்கை இருக்கவேண்டும். முன்பு ஸ்டாம்பு 100-க்கு 3 ரூபாய் அரசாங்கத்திற்கும், 5 ரூபாய் முனிசிபாலிடிக்கும் என்று இருந்தது. கிராமங்களில் முன்பு 4 ரூபாய் வசூல் செய்து கொண்டிருந்தார்கள். இன்றைக்கு பஞ்சாயத்து யூனியன் கிராமங்கள் ஏற்பட்டுவிட்டதால், ஸ்டாம்பு வரி 8 ரூபாயாக உயர்த்த வேண்டிய நிலைமை ஏற்பட்டது. முன்பு ஒரு ரூபாய்க்கு விற்ற சாமான் இன்றைக்கு 10 ரூபாயாக விற்பதால் மக்களுக்கு இதில் அதிக லாபமிருப்பதால், இந்த ஸ்டாம்பு

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வரி உயர்வை ஏன் அவர்கள் கொடுக்கக்கூடாதென்று, அரசாங்கத்தார் கேட்கிறார்கள். பட்டணங்களில் மனைக்கட்டுகள், முன்பு 1,000 ரூபாய் விற்றது இப்போது 10,000 ரூபாயாக விலை உயர்ந்திருக்கிறதைக் காட்டி, அதனால் சர்க்காருக்கு ஏன் ஸ்டாம்பு வரி அதிகமாகச் செலுத்தக் கூடாதென்று கேட்டால், அது நியாயம் தான். ஆனால் விவசாயிகளுடைய நிலங்கள் விற்பனையில் இந்த ஸ்டாம்பு வரியை ஏற்றுவது நியாயமில்லை. விவசாயிகள் விஷயத்தில் மட்டும், இந்த வரியை 50 சத விகிதம் ஏற்றாமல், வீடுகட்டும் மனைகளைப் பொறுத்த வரை இந்த வரியை உயர்த்தினால், அதை நியாயமென்று ஏற்றுக்கொள்ளலாம்.

THE HON. SRI V. RAMAIAH: Mr. Chairman, Sir, the hon. the Deputy Leader of the Opposition was good enough to accept the principle of taxation in the particular Act. His only difficulty is that if we raise the tax as such, there will be a lot of evasion. The Government, while proposing the increase, have considered the question of evasion also. We have to take suitable steps to prevent evasion. This will also be looked into. The increase in the stamp duty is not an isolated move. This proposal has come along with 12-10 p.m. the other proposals for finding the resources for the implementation of the Third Five-Year Plan. We propose this increased levy having in mind the need to find resources for implementing the Third Five-Year Plan. When the question is approached on this basis, it will be seen that the money to be realised from this increased duty is absolutely necessary. Otherwise, we will have to cut down the schemes in the third plan. I am sure none in this State will wish to prune the Third Five-Year Plan schemes. Our aim should be directed to the execution of a large number of works. Even this morning, during question time, the hon. Member, Sri Subbiah Chettiar, who is not inclined to support this measure, was complaining that he was not able to get cement for the private sector enterprises. In reply to one of the supplementary questions, I stated that not only the private buildings, but even big projects were being held up for want of cement. I cannot just look around and reply that because cement is not available, important projects are held up. It will mean retarding the progress of the plan. We are trying to find the resources for implementing the plan. It is in that context we have brought forward this measure. The three Members who participated in the discussion also have generally supported it. Sri K. Balasubramanya Ayyar has not opposed this measure in principle. He has just indicated to us the need for a careful watch against evasion. The hon. Member Sri Seshachariar tried to meet Sri Balasubramanya Ayyar's point by saying that there would not be much evasion, particularly when the Government had come forward to acquire large extents of land. When acquisition proceedings take place, there will be no under-quoting of figures. Because that will affect the people who sell the lands. So, evasion in future will be greatly reduced, according to me. I only want to stress that we are not levying the increased duty for the purpose of collecting as much money as

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possible. We do so with the full consideration that not only we collect more money by increasing the duty but we also check evasion as much as possible. I am sure that hon. Members in the Opposition will see that when we come forward with proposals for an increase in the duty, it is only to fulfil our responsibilities. I request the House to support this measure.

MR. CHAIRMAN : The question is—

'That the Madras Stamp (Increase of Duties) Bill, 1962 (L.A. Bill No. 8 of 1962), as passed by the Assembly, be taken into consideration.'

The motion was put and carried and the Bill was taken into consideration.

Clauses 2 to 6 were put and carried.

Clause 1 and the Preamble were put and caried.

THE HON. SRI V. RAMAIAH : Sir, I move—

'That the Madras Stamp (Increase of Duties) Bill, 1962 (L.A. Bill No. 8 of 1962), as passed by the Assembly, be passed.'

MR. CHAIRMAN : The question is—

'That the Madras Stamp (Increase of Duties) Bill, 1962 (L.A. Bill No. 8 of 1962), as passed by the Assembly, be passed.'

The motion was put and carried and the Bill was passed.

(5) THE MADRAS GENERAL SALES TAX (AMENDMENT) BILL, 1962 L.A. BILL NO. 6 OF 1962).

THE HON. SRI R. VENKATARAMAN : Mr. Chairman, I beg to move—

'That the Madras General Sales Tax (Amendment) Bill, [a] 1962 (L.A. Bill No. 6 of 1962), as passed by the Assembly, be taken into consideration.'

Sir, clause 2 of the Bill seeks to impose the sales tax on transactions by the State and Central Governments. As the law stands now, only transactions of State and Central Governments, which are in the course of business, can be taxed. It becomes difficult to find out whether the transaction is in the course of business or not, and considerable difficulty is experienced. Therefore, we propose that the transactions by the State as well as by the Central Governments, irrespective of the fact whether they are in the course of business or not, shall be liable to sales tax.

Then, clause 3 deals with the power of the single member tribunal to hear appeals. We have provided in the current Act that he shall hear appeals up to Rs. 25,000. When we fixed this limit of Rs. 25,000, we thought that only those cases, in which there would be compounding up to Rs. 25,000, would go in appeal, and that it would be a simple procedure. To-day we have raised the compounding limit to Rs. 50,000. Therefore, it is appropriate that the single member tribunal should hear appeals up to Rs. 50,000.

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[a] Printed as Appendix VIII on pages 563–564.